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HFMA's Regulatory Sound Bites

An Overview of the Final 2016 Inpatient Prospective Payment System Rule



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Dear Member,

This presentation provides a summary of recent regulatory acts and highlights the features that most affect acute care hospitals. It also offers a guide to HFMA resources you can use to navigate your organization through the complicated economic and regulatory environment.

Please feel free to use this presentation to educate your staff and other hospital stakeholders. If HFMA can be of additional assistance in any way, please do not hesitate to contact us.

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Warmest Regards,
HFMA



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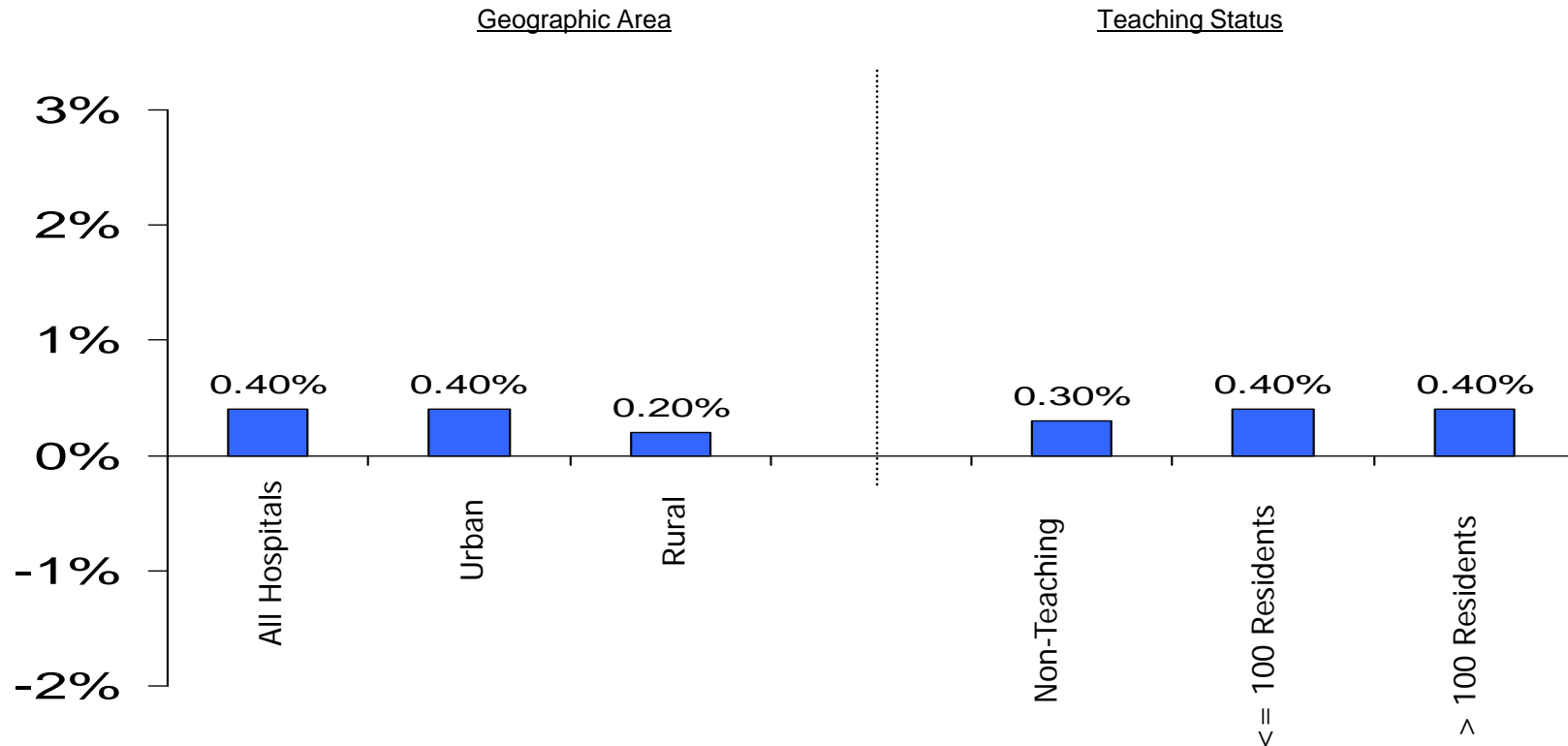
Presentation Objectives

- Review the 2016 Final Medicare Inpatient Prospective Payment System (IPPS) Rule

Modest Increase

The Final Rule Increases Payments to the Following Facilities

Reimbursement Impact of the 2016
Final IPPS Rule



Source: <http://www.gpo.gov/fdsys/pkg/FR-2015-08-17/pdf/2015-19049.pdf> pgs. 49820-49821

Operating Base Rates

CMS Is Adjusting the Market Basket Update

IPPS Provisions

- The FY16 market basket update is 2.4%
- The market basket rate-of-increase of 2.4% will be reduced further by:
 - ❖ -0.5% multifactor productivity adjustment
 - ❖ -0.2% Affordable Care Act (ACA) mandate
 - ❖ -0.8% American Taxpayer Relief Act (ATRA) recoupment adjustment
- **Resulting in an overall payment increase of 0.9%.**
 - **-1.1%** for hospitals not submitting quality data

See **Appendix 1** for final IPPS FY16 operating rates

Capital Base Rates and Payments

CMS established an update factor of 1.3 percent in FY16

- CMS established a capital standard federal payment rate of **\$438.75** for FY16.
- This is the result of a **1.3 percent** update in determining the FY16 capital federal rate for all hospitals and budget neutrality factors.
- The FY16 update factor has the effect of increasing the capital federal rate by 1.3 percent, compared to the FY15 capital federal rate.
- For FY15, CMS established a capital federal rate of **\$434.97**.

Notes:

1. See **Appendix 2** for FY16 standard federal capital rates

Outlier Payments

- The outlier thresholds are set so that operating outlier payments are projected to be 5.1 percent of total operating IPPS diagnosis-related group (DRG) payments.
- CMS calculated a final outlier fixed-loss cost threshold for FY16 equal to the prospective payment rate for the Medicare severity diagnosis-related group, plus any Indirect Medical Education (IME), empirically justified Medicare Disproportionate Share Hospital (DSH) payments, estimated uncompensated care payments, and any add-on payments for new technology, plus **\$22,539**.
- The new outlier threshold is lower than the FY15 final outlier fixed-loss cost threshold of \$24,626, which should increase outlier payments.
- CMS stated that it believes that the decrease in the charge inflation factor (compared to the FY15 charge inflation factor) contributed to a lower outlier fixed-loss threshold for FY 2016.

Wage Index

- For FY16, the wage index will continue to be calculated and assigned to hospitals on the basis of the labor market area in which the hospital is located.
- For FY16, the national average hourly wage increased 1.03 percent compared to FY15.
- Therefore, the only manner in which to maintain or exceed the previous year's wage index was to match or exceed the national 1.03 percent increase in average hourly wage.
- Of the 3,328 hospitals with wage data for both FYs 2015 and 2016, 47.9 percent, will experience an average hourly wage increase of 1.03 percent or more.
- The FY16 national average hourly wage (unadjusted for occupational mix) is \$40.29.

Footnote: The FY16 wage index values are based on the data collected from the Medicare cost reports submitted by hospitals for cost reporting periods beginning in FY12 (the FY15 wage indexes were based on data from cost reporting periods beginning during FY11).

Disproportionate Share

- Since FY14, DSHs have received 25 percent of the amount they previously would have received under the current statutory formula for Medicare DSH payments prior to the ACA amendments.
- 75 percent is available to make additional payments to each hospital that qualifies for Medicare DSH payments and has uncompensated care.
 - ❖ This 75 percent will be reduced each year as the percentage of uninsured declines and will be distributed based on the proportion of total uncompensated care each Medicare DSH hospital provides.
- The estimate for empirically justified Medicare DSH payments for FY16 is \$3.335 billion (25 percent of the total amount estimated).

Disproportionate Share

- For each eligible hospital in FY14 and subsequent years, the uncompensated care payment is the product of three factors.
 - ❖ Factor 1: The difference between CMS's estimates of: (1) the amount that would have been paid in Medicare DSH payments for the fiscal year, in the absence of the new payment provision; and (2) the amount of empirically justified Medicare DSH payments that are made for FY16.
 - ❖ Factor 2: For FY14 through FY17, 1 minus the percent change in percent of individuals under the age of 65 who are uninsured, determined by comparing the percent of those individuals who are uninsured in 2013, the last year before coverage expansion under the ACA, minus 0.1% for FY14, and minus 0.2% for FY15 through FY17.
 - ❖ Factor 3: Represents a hospital's uncompensated care amount for a given time period relative to the uncompensated care amount for that same time period for all hospitals that receive Medicare DSH payments in that fiscal year, expressed as a percent.
- Hospitals must receive empirically justified Medicare DSH payments in a fiscal year in order to receive an additional Medicare uncompensated care payment for that year.
- The final determination on the hospital's eligibility for uncompensated care payments would be based on the hospital's actual DSH status on the cost report for that payment year.

Disproportionate Share

- **Maryland hospitals, hospitals participating in the Rural Community Hospital Demonstration Program, and sole community hospitals (SCHs) that are paid under their hospital-specified rate are not eligible for Medicare DSH payments or Uncompensated Care Payments.**

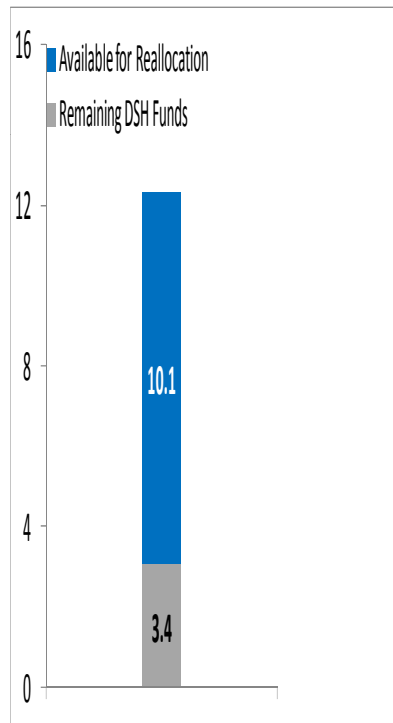
Disproportionate Share

- CMS believes using 2011 or 2012 cost report data will allow hospitals more time to submit their cost report data and Medicare Administrative Contractors more time to consider and accept such data as applicable and appropriate, thus balancing recency and accuracy.
- CMS notes that, since it issued the FY16 IPPS proposed rule, the FY13 Supplemental Security Income (SSI) ratios have become available on its website at:
<https://www.cms.gov/%20Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Dsh.html>
- CMS also clarifies that the 12-month cost report does not need to coincide with the federal fiscal year.
- For the purposes of rate setting, calculating budget neutrality, and modeling payment impacts for the FY16 final rule, any hospital that was previously urban but changed to rural status in FY15 as a result of the adoption of the new Office of Management and Budget (OMB) labor market area delineations will have its DSH payments modeled such that the payment equals the amount of the rural DSH payments, plus one-third of the difference between the urban DSH and the rural DSH payments.

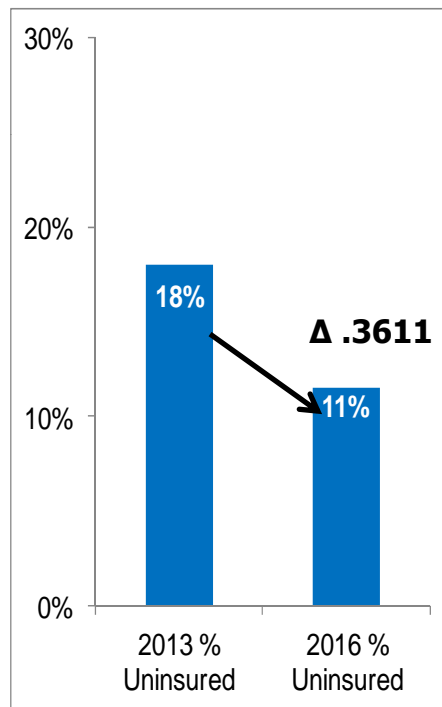
New Indigent Care Payment

ACA Reduces DSH Payments to 25%, Reallocating A Portion Back to Hospitals Based on the Percentage Who Remain Uninsured

Step 1:
Determine DSH Reduction



Step 2:
Determine Remaining Uninsured



Step 3:
Determine Funding For Reallocation

$$1 - .3611 - .002 = .6369$$
$$.6369 * \$10.1 \text{ B} = \$6.4 \text{ Billion}$$

Step 4:
Allocate Funding to DSH Hospitals

The Pool Is Allocated to Hospitals as a Percentage of Total Indigent on Care (Based On Medicaid and SSI Days) Provided by All DSH Hospitals

IME Payment Adjustment

- Under the IPPS, an additional payment amount is made to hospitals with residents in an approved graduate medical education program in order to reflect the higher indirect patient care costs of teaching hospitals relative to nonteaching hospitals.
- For discharges occurring during FY16, the formula multiplier is **1.35**.
- CMS estimates that application of this formula multiplier for the FY16 indirect medical education adjustment will result in an increase in IPPS payment of 5.5 percent for approximately every 10 percent increase in the hospital's resident-to-bed ratio.

Extraordinary Circumstance Policy

IQR, VBP, HAC, and Readmissions

CMS adopts extraordinary circumstance exception policy, aligning with existing extraordinary circumstance exception policies for other IPPS quality reporting and payment programs, including, the Hospital Inpatient Quality Reporting (IQR) Program, the Hospital Value-Based Purchasing (VBP) Program, the Hospital-Acquired Conditions (HAC) Program, and the Hospital Readmissions Reduction Program, and will allow hospitals that experience an extraordinary circumstance to request a waiver for use of data from the affected time period.

Inpatient Quality Reporting Program

- CMS finalized factors to consider for measure removal, as well as those to consider in order to retain measures.
- Removal Factors:
 - ❖ Feasibility to implement the measure specifications
 - ❖ Availability of alternative measures with a stronger relationship to patient outcomes
- Retention Factors:
 - ❖ Measure aligns with National Quality Strategy or CMS Quality Strategy goals
 - ❖ Measure aligns with other CMS programs, including other quality reporting programs or the Electronic Health Record (EHR) Incentive Program
 - ❖ Measure supports efforts to move facilities towards reporting electronic measures

See **Appendix 3** for IQR measure removal/retention factors

Inpatient Quality Reporting Program

The Inpatient Quality Reporting (IQR) Program measures for **the FY17 payment determination** and subsequent years were described in the FY15 IPPS final rule. It contained:

- 42 measures that were previously finalized
- 11 newly adopted measures
- 10 measures that were determined to be “topped-out” but retained in the Hospital IQR Program as voluntary electronic clinical quality measures.

See **Appendix 4** for Hospital IQR Program Measures for FY17

Inpatient Quality Reporting Program

New Quality Measures for FY18

- CMS will add eight new measures to the Hospital IQR Program for the FY18 payment determination and subsequent years.
- Under the final rule, CMS will adopt the following seven new claims-based measures and one new structural measure:
 - ❖ Hospital Survey on Patient Safety Culture (structural)
 - ❖ Kidney/UTI Clinical Episode-Based Payment Measure (claims-based)
 - ❖ Cellulitis Clinical Episode-Based Payment Measure (claims-based)
 - ❖ Gastrointestinal Hemorrhage Clinical Episode-Based Payment Measure (claims-based)
 - ❖ Lumbar Spine Fusion/Re-Fusion Clinical Episode-Based Payment Measure (claims-based)
 - ❖ Hospital-Level, Risk-Standardized Payment Associated with an Episode-of-Care for Primary Elective THA/TKA (claims-based)
 - ❖ Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction (claims-based)
 - ❖ Excess Days in Acute Care after Hospitalization for Heart Failure (claims-based)

See **Appendix 5** for list of FY18 IQR quality measures

Inpatient Quality Reporting Program

- For FY18, hospitals must report at least four electronic clinical quality measures.
- CMS will not require that any of the four electronic clinical quality measures fall under any particular National Quality Strategy (NQS) domain.
- Instead of requiring two quarters of electronic clinical quality measure data (Q3 and Q4 of CY16) for the FY18 payment determination (CY16 reporting), hospitals must submit electronic clinical quality measure data for only one quarter, either Q3 or Q4, by Feb. 28, 2017.
- Six measures (ED-1, ED-2, PC-01, STK-4, VTE-5, and VTE-6) will remain required via chart abstraction or electronically.
 - ❖ Hospitals may choose to submit electronic data, in addition to chart-abstracted data, on any of the six measures to meet the requirement to report four of 28 electronic clinical quality measures.
- The electronic clinical quality measure reporting periods are listed in the following table:

Discharge reporting periods	Submission deadline
January 1, 2016–March 31, 2016.	N/A.
April 1, 2016–June 30, 2016.	N/A.
July 1, 2016–September 30, 2016.	November 30, 2016.
October 1, 2016–December 31, 2016.	February 28, 2017.

See **Appendix 6** for a list of FY19 IQR Measures

Hospital Readmissions Reduction

Measure Refinements

- CMS finalized a modified version of the measure refinements (expanded pneumonia cohort) proposed for the FY17 payment determination and subsequent years for:
 1. Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) following Pneumonia Hospitalization (NQF #0506) measure
 2. Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) following Pneumonia Hospitalization (NQF #0468) measure.
- Modified version of the expanded pneumonia cohort includes:
 - ❖ patients with a principal discharge diagnosis of pneumonia or aspiration pneumonia
 - ❖ patients with a principal discharge diagnosis of sepsis with a secondary diagnosis of pneumonia coded as POA
- Modified version of the expanded pneumonia cohort does not include the following (as originally proposed):
 - ❖ patients with a principal discharge diagnosis of respiratory failure
 - ❖ patients with a principal discharge diagnosis of sepsis, if they are coded as having severe sepsis

Hospital Readmissions Reduction

Payment Calculation for Excess Readmissions

- For FY16, CMS will use Medicare Provider Analysis and Review (MedPAR) data from July 1, 2011, through June 30, 2014.
- For FY16, CMS will continue to apply the same exclusions to the claims in the MedPAR file as it applied for FY15 for the current applicable conditions.
- For FY16, in order to have the same types of admissions to calculate aggregate payments for excess readmissions as is used to calculate the excess readmissions ratio, CMS will identify admissions for the following measures for the purposes of calculating aggregate payments for excess readmissions:
 - ❖ acute myocardial infarction (AMI),
 - ❖ heart failure (HF),
 - ❖ pneumonia (PN),
 - ❖ total hip arthroplasty/total knee arthroplasty (THA/TKA)
 - ❖ chronic obstructive pulmonary disease (COPD) applicable conditions

Value-Based Purchasing

- Under Hospital Value-based Purchasing Program (VBP), value-based incentive payments are made in a fiscal year to hospitals that meet performance standards established for a performance period for such fiscal year.
- ACA directs the U.S. Department of Health and Human Services (HHS) Secretary to begin making value-based incentive payments under the Hospital Inpatient VBP Program for discharges occurring on or after Oct. 1, 2012.
- The total amount available for value-based incentive payments for a fiscal year will be equal to the total amount of the payment reductions for all participating hospitals for such fiscal year, as estimated by the HHS Secretary.
 - ❖ The applicable percentage for FY16 is **1.75%**.
 - ❖ The applicable percentage for FY17 and subsequent years is **2%**.

Value-Based Purchasing

- CMS estimates that the total amount available for value-based incentive payments for FY16 is **\$1,499** billion based on the December 2014 update of the FY14 MedPAR File.
- ❖ CMS will update this estimate for the FY16 IPPS final rule, using the March 2015 update of the FY14 MedPAR file.

FY18

- FY18 Baseline and Performance Periods:

Domain	Baseline Period	Performance Period
PCCEC/CC: <ul style="list-style-type: none"> • HCAHPS Survey • CTM-3 	Jan 1, 2014 - Dec 31, 2014	Jan 1, 2016 - Dec 31, 2016
Critical Care: Mortality (MORT-30-AMI, MORT-30-HF, MORT-30-PN). *	Oct 1, 2009 – June 30, 2012	Oct 1, 2013 – June 30, 2016
Safety: <ul style="list-style-type: none"> • PSI-90* • PC-01 and NHSN measures (CAUTI, CLABSI, SSI, CDI, MRSA). • Efficiency and Cost Reduction MSPB - 1 	July 1, 2010 – June 30, 2012 Jan 1, 2014 – Dec. 31, 2014 Jan 1, 2014 – Dec. 31, 2014	July 1, 2014 – June 30, 2016 Jan. 1, 2016 – Dec. 31, 2016 Jan 1, 2016 – Dec. 31, 2016

Value-Based Purchasing

New Measure for FY18

- The 3-Item Care Transition Measure (CTM-3) is an NQF-endorsed measure, adopted in the Hospital IQR Program in the FY13 IPPS final rule.
 - ❖ CMS will add CTM-3 to the FY18 program year and subsequent years.
- For the FY18 program, CMS is adopting the measure set contained in the following table:

FY 2018 PREVIOUSLY ADOPTED AND NEWLY ADOPTED MEASURES	
Patient and Caregiver-Centered Experience of Care/Care Coordination Domain	
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems Survey
CTM-3*	3-Item Care Transitions Measure
Clinical Care Domain	
MORT-30-AMI	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Acute Myocardial Infarction Hospitalization
MORT-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization
MORT-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization
Safety Domain	
CAUTI	National Healthcare Safety Network Catheter-Associated Urinary Tract Infection Outcome Measure
CLABSI	National Healthcare Safety Network Central Line-Associated Bloodstream Infection Outcome Measure
Colon and Abdominal Hysterectomy SSI.	Centers for Disease Control and Prevention Harmonized Procedure Specific Surgical Site Infection Outcome Measure <ul style="list-style-type: none"> • Colon • Abdominal Hysterectomy
MRSA bacteremia	National Healthcare Safety Network Facility-Wide Inpatient Hospital-Onset Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia Outcome Measure
CDI	National Healthcare Safety Network Facility-Wide Inpatient Hospital-Onset <i>Clostridium difficile</i> Infection Outcome Measure
PSI-90	Patient Safety for Selected Indicators (Composite)
PC-01 **	Elective Delivery
Efficiency and Cost Reduction Domain	
MSPB-1	Payment-Standardized Medicare Spending Per Beneficiary

* Finalized new measure.

** Finalized to be moved from the Clinical Care—Process subdomain to the Safety domain.

Value-Based Purchasing

Removal of Quality Measures for the FY18 Program Year

- CMS will remove two measures effective for the FY18 program year:
 - ❖ IMM-2 Influenza Immunization (CMS believes this measure is “topped-out”).
 - ❖ AMI-7a Fibrinolytic Therapy Received within 30 Minutes of Hospital Arrival measures
- AMI-7a is not widely reported by hospitals, and many have less than the minimum number of cases required for reporting because most acute myocardial infarction patients receive percutaneous coronary intervention instead of fibrinolytic therapy.
- CMS will remove these measures and will not adopt any additional measures for the Clinical Care—Process subdomain.
- Because only one measure, PC-01 Elective Delivery, which measures the incidence of elective births prior to 39 weeks gestation, would remain in the Clinical Care—Process subdomain for the FY18 program year, CMS will move PC-01 to the Safety domain, remove the Clinical Care—Process subdomain, and rename the Clinical Care—Outcomes subdomain as simply the Clinical Care domain, for the FY18 program year and subsequent years.
- CMS is finalizing its proposals to remove the immunization measure validation stratum, to move the Influenza Immunization (NQF #1659) measure to the clinical process of care validation stratum, and to reweight the topic areas for validation beginning with the FY18 payment determination.

Value-Based Purchasing

- The Safety domain will include seven measures for the FY18 program year, including PC–01 Elective Delivery, which would be new to that domain.

Domain Weights

- The Safety domain’s weight will increase by 5 percent, as seen in the table below for the FY18 program year because of the addition of the PC–01 Elective Delivery measure to the Safety domain.

PROPOSED DOMAIN WEIGHTS FOR THE FY 2018 PROGRAM YEAR FOR HOSPITALS RECEIVING A SCORE ON ALL DOMAINS

Domain	Weight (percent)
Safety	25
Clinical Care	25
Efficiency and Cost Reduction	25
Patient and Caregiver-Centered Experience of Care/Care Coordination	25

Performance standards for FY18, FY19, FY20, and FY21 are included in **Appendix 7**.

Baseline and Performance Periods for FY19, FY20, and FY21 are included in **Appendix 8**.

Value-Based Purchasing

Adopted Measure for FY19

- CMS intends to propose to include the selected ward (non-ICU) locations in the CAUTI and CLABSI measures, beginning with the FY19 program year in future rulemaking.
- CMS also adopted the Hospital-Level Risk-Standardized Complication Rate Following Elective Primary THA/TKA measures for the FY 2019 program year and subsequent years.

Adopted Measure for FY21

- CMS will adopt the Hospital 30-Day, All-Cause, Risk-standardized Mortality Rate following COPD Hospitalization (NQF #1893) (MORT-30-COPD) measure for the Hospital VBP Program.
 - ❖ The measure aligns with the CMS Quality strategy goal of effective prevention and treatment.
 - ❖ CMS will add this measure to the Clinical Care domain for the FY21 Hospital VBP Program and subsequent years.

HAC Reduction Program

- For FY16, CMS is retaining the AHRQ PSI-90 Composite measure (in Domain 1) that it adopted in the FY14 IPPS final rule.
- ❖ This measure is undergoing NQF maintenance review

FY16 HAC Reduction Program Measures

HAC - Domain I (25% Weight)

- AHRQ PSI Composite (PSI-90)
- PSI-3 (pressure ulcer rate)
- PSI-6 (iatrogenic pneumothorax rate)
- PSI-7 (central venous catheter-related blood stream infections rate)
- PSI-8 (postoperative hip fracture rate)
- PSI-12 (postoperative PE/DVT rate)
- PSI-13 (post-operative sepsis rate)
- PSI-14 (wound dehiscence rate)
- PSI-15 (accidental puncture and laceration rate)

HAC - Domain II (75% Weight)

- CLASBI (FY 2015 Onward)
- CAUTI (FY 2015 Onward)
- SSI Following Colon Surgery (FY 2016 Onward)
- SSI Following Abdominal Hysterectomy (FY 2016 Onward)

Chart data reflects final changes contained in the FY15 IPPS Final Rule, published in the Aug. 22, 2014, Federal Register.

HAC Reduction Program

FY16 HAC Measure Data Collection Period

Measures	Collection Period
AHRQ (Domain 1) PSI-90	<ul style="list-style-type: none">July 1, 2012, through June 30, 2014
CDC HAI Measures (Domain 2)	<ul style="list-style-type: none">CY13 and CY14

FY15 IPPS final rule reiterates that these periods were submitted in the proposed rule, but did not confirm that they were finalized.

HAC Reduction Program

FY17 HAC Reduction Program Measures

HAC - Domain I (15% Weight)	<ul style="list-style-type: none">•AHRQ PSI Composite (PSI-90)•PSI-3 (pressure ulcer rate)•PSI-6 (iatrogenic pneumothorax rate)•PSI-7 (central venous catheter-related blood stream infections rate)•PSI-8 (postoperative hip fracture rate)•PSI-12 (postoperative PE/DVT rate)•PSI-13 (post-operative sepsis rate)•PSI-14 (wound dehiscence rate)•PSI-15 (accidental puncture and laceration rate)
HAC - Domain II (85% Weight)	<ul style="list-style-type: none">•CLASBI (FY 2015 Onward)•CAUTI (FY 2015 Onward)•SSI Following Colon Surgery (FY 2016 Onward)•SSI Following Abdominal Hysterectomy (FY 2016 Onward)•MRSA Bacteremia (FY 2017 Onward)•Clostridium difficile (FY 2017 onward)

Chart data reflects final changes contained in the FY15 IPPS Final Rule, published in the Aug. 22, 2014, Federal Register.



HAC Reduction Program

Three existing program policy changes include:

1. Applicable Time Period

- ❖ CMS will continue similar two-year time periods for the calculation of HAC Reduction Program measure results.
 - For the Domain 1 measure (AHRQ PSI-90 Composite measure), CMS will use the 24-month period from July 1, 2013, through June 30, 2015.

2. Narrative Rule Used in Calculation of the Domain 2 Score

- ❖ CMS will follow the rules as previously finalized.
- ❖ CMS is also adopting an additional narrative rule for use beginning in the FY17 program year.
 - This additional narrative rule will be applicable to calculation of the Domain 2 score and would treat each Domain 2 measure independently when determining if a score of 10 (maximal score) should be assigned to the measure for nonsubmission of data without a waiver (if applicable).

3. Domain 1 and 2 Weights

- ❖ **For FY17, CMS will adjust the weighting of Domains 1 and 2 so that the weight of Domain 1 would be 15 percent and the weight of Domain 2 would be 85 percent.**

Rural Community Hospital Program

- The Medicare Modernization Act of 2003 required the HHS Secretary to establish a demonstration program that modifies reimbursement for inpatient services for up to 15 small rural hospitals.
- Under this demonstration program, the HHS Secretary ensures that the aggregate payments made to participants do not exceed the amount that would have been paid if the demonstration program was not implemented.
- The ACA extended the demonstration program for an additional five-year period and allowed up to 30 hospitals to participate in 20 states with low population densities.
- For FY16, CMS will calculate a budget neutrality offset amount, according to the methodology set forth in section IV.I. of the preamble of the final rule, to account for the estimated additional costs of the demonstration program for FY16.
- The total budget neutrality offset amount for which the adjustment to the FY16 IPPS rates is calculated is **\$12,835,618**.
- Using the most recent data available to account for the estimated costs of the demonstration program, for FY16, CMS has computed a factor of **0.999861** for the rural community hospital demonstration program budget neutrality adjustment that will be applied to the IPPS standard federal payment rate.



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Appendices

- Appendix 1: Final IPPS Base Rates/Standard Operating Amounts
- Appendix 2: Standard Federal Capital Rates
- Appendix 3: IQR Program Measure Removal/Retention Factors
- Appendix 4: FY17 Hospital IQR Program Measures
- Appendix 5: FY18 Hospital IQR Program Measures
- Appendix 6: FY19 Hospital IQR Program Measures
- Appendix 7: FY18, FY19, FY20, FY21 VBP Performance Standards



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Appendices

- Appendix 8: FY19, FY20, FY21 VBP Baseline and Performance Periods



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Appendix 1: IPPS Base Rates/Standard Operating Amounts

National Adjusted Operating Standardized Amounts (69.6 Percent Labor Share/30.4 Percent Non-labor if Wage Index Is Greater Than 1.0000)

Hospital submitted quality data and is a meaningful EHR user (update = 1.7 percent)		Hospital did NOT submit quality data and is a meaningful EHR user (update = 1.1 percent)		Hospital submitted quality data and is NOT a meaningful EHR user (update = 0.5 percent)		Hospital did NOT submit quality data and is NOT a meaningful EHR user (update = - 0.1 percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$3,805.30	\$1,662.09	\$3,782.85	\$1,652.28	\$3,760.40	\$1,642.48	\$3,737.95	\$1,632.67

National Adjusted Operating Standardized Amounts (62 Percent Labor Share/38 Percent Non-labor Share if Wage Index Is Less Than or Equal To 1.0000)

Hospital submitted quality data and is a meaningful EHR user (update = 1.7 percent)		Hospital did NOT submit quality data and is a meaningful EHR user (update = 1.1 percent)		Hospital submitted quality data and is NOT a meaningful EHR user (update = 0.5 percent)		Hospital did NOT submit quality data and is NOT a meaningful EHR user (update = - 0.1 percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$3,389.78	\$2,077.61	\$3,369.78	\$2,065.35	\$3,349.79	\$2,053.09	\$3,329.78	\$2,040.84

Adjusted Operating Standardized Amounts for Puerto Rico, Labor/Nonlabor

Standardized amount	Rates if wage index is greater than 1		Rates if wage index is less than or equal to 1	
	Labor	Nonlabor	Labor	Nonlabor
National ¹	Not Applicable	Not Applicable	\$3,389.78	\$2,077.61
Puerto Rico	\$1,650.00	\$960.77	1,618.68	992.09

¹ For FY 2016, there are no CBSAs in Puerto Rico with a national wage index greater than 1.



Appendix 2: Standard Federal Capital Rates

TABLE 1D—CAPITAL STANDARD FEDERAL PAYMENT RATES—FY 2016

	Rate
National	\$438.75
Puerto Rico	212.55



Appendix 3: IQR Program Measure Removal/Retention Factors

FACTORS CMS CONSIDERS IN REMOVING OR RETAINING MEASURES

Measure Removal Factors

1. Measure performance among hospitals is so high and unvarying that meaningful distinctions and improvements in performance can no longer be made ("topped-out" measures).
2. A measure does not align with current clinical guidelines or practice.
3. The availability of a more broadly applicable measure (across settings, populations, or the availability of a measure that is more proximal in time to desired patient outcomes for the particular topic).
4. Performance or improvement on a measure does not result in better patient outcomes.
5. The availability of a measure that is more strongly associated with desired patient outcomes for the particular topic.

6. Collection or public reporting of a measure leads to negative unintended consequences other than patient harm.
7. It is not feasible to implement the measure specifications.*

"Topped-Out" Criteria

1.
 - Statistically indistinguishable performance at the 75th and 90th percentiles; and
 - Truncated coefficient of variation ≤ 0.10 .

Measure Retention Factors

1. Measure aligns with other CMS and HHS policy goals.*
2. Measure aligns with other CMS programs, including other quality reporting programs, or the EHR Incentive Program.
3. Measure supports efforts to move facilities towards reporting electronic measures.

*Consideration proposed in the FY 2016 IPPS/LTCH PPS proposed rule (80 FR 24556 through 24557).

Appendix 4: FY17 Hospital IQR Program Measures

PREVIOUSLY ADOPTED HOSPITAL IQR PROGRAM MEASURES FOR THE FY 2017 PAYMENT DETERMINATION AND SUBSEQUENT YEARS

Short name	Measure name	NQF #
NHSN		
CLABSI	National Healthcare Safety Network (NHSN) Central Line-Associated Bloodstream Infection (CLABSI) Outcome Measure.	0139
Colon and Abdominal Hysterectomy SSI.	American College of Surgeons—Centers for Disease Control and Prevention (ACS–CDC) Harmonized Procedure Specific Surgical Site Infection (SSI) Outcome Measure.	0753
CAUTI	National Healthcare Safety Network (NHSN) Catheter-associated Urinary Tract Infection (CAUTI) Outcome Measure.	0138
MRSA Bacteremia	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset Methicillin-resistant <i>Staphylococcus aureus</i> (MRSA) Bacteremia Outcome Measure.	1716
CDI	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset <i>Clostridium difficile</i> Infection (CDI) Outcome Measure.	1717
HCP	Influenza Vaccination Coverage Among Healthcare Personnel	0431
Chart-abstracted		
AMI-7a*	Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0164
ED-1*	Median Time from ED Arrival to ED Departure for patients Admitted ED Patients	0495
ED-2*	Admit Decision Time to ED Departure Time for Admitted Patients	0497
Imm-2	Influenza Immunization	1659
PC-01*	Elective Delivery (Collected in aggregate, submitted via Web-based tool or electronic clinical quality measure).	0469
SCIP-Inf-4	Cardiac Surgery Patients with Controlled Postoperative Blood Glucose	0300
Sepsis	Severe Sepsis and Septic Shock: Management Bundle (Composite Measure)	0500
STK-01	Venous Thromboembolism (VTE) Prophylaxis	0434
STK-04*	Thrombolytic Therapy	0437
STK-06*	Discharged on Statin Medication	0439
STK-08*	Stroke Education	N/A
VTE-1*	Venous Thromboembolism Prophylaxis	0371
VTE-2*	Intensive Care Unit Venous Thromboembolism Prophylaxis	0372
VTE-5*	Venous Thromboembolism Discharge Instructions	N/A



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Appendix 4: FY17 Hospital IQR Program Measures - Cont.

PREVIOUSLY ADOPTED HOSPITAL IQR PROGRAM MEASURES FOR THE FY 2017 PAYMENT DETERMINATION AND SUBSEQUENT YEARS—Continued

Short name	Measure name	NQF #
VTE-6 *	Incidence of Potentially Preventable Venous Thromboembolism	N/A
Claims		
MORT-30-AMI	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Acute Myocardial Infarction (AMI) Hospitalization for Patients 18 and Older.	0230
MORT-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Heart Failure (HF) Hospitalization for Patients 18 and Older.	0229
MORT-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Pneumonia Hospitalization.	0468
MORT-30-COPD	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Chronic Obstructive Pulmonary Disease (COPD) Hospitalization.	1893
STK Mortality	Stroke 30-day Mortality Rate	N/A
CABG Mortality	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Coronary Artery Bypass Graft (CABG) Surgery.	2558
READM-30-AMI	Hospital 30-Day All-Cause Risk-Standardized Readmission Rate (RSRR) Following Acute Myocardial Infarction (AMI) Hospitalization.	0505
READM-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Heart Failure (HF) Hospitalization.	0330
READM-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Pneumonia Hospitalization.	0506
READM-30-THA/TKA	Hospital-Level 30-Day, All-Cause Risk-Standardized Readmission Rate (RSRR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA).	1551
READM-30-HWR	Hospital-Wide All-Cause Unplanned Readmission Measure (HWR)	1789
COPD READMIT	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Chronic Obstructive Pulmonary Disease (COPD) Hospitalization.	1891
STK READMIT	30-Day Risk Standardized Readmission Rate Following Stroke Hospitalization	N/A
CABG READMIT	Hospital 30-Day, All-Cause, Unplanned, Risk-Standardized Readmission Rate (RSRR) Following Coronary Artery Bypass Graft (CABG) Surgery.	2515
MSPB	Payment-Standardized Medicare Spending Per Beneficiary (MSPB)	2158
AMI payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-Day Episode-of-Care for Acute Myocardial Infarction (AMI).	2431
HF Payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-Day Episode-of-Care For Heart Failure (HF).	2436
PN Payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-day Episode-of-Care For Pneumonia.	2579
Hip/knee complications	Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA).	1550
PSI 4 (PSI/NSI)	Death among Surgical Inpatients with Serious, Treatable Complications	0351
PSI 90	Patient Safety for Selected Indicators (Composite Measure)	0531

Appendix 4: FY17 Hospital IQR Program Measures - Cont.

Electronic Clinical Quality Measures

AMI-2	Aspirin Prescribed at Discharge for AMI	N/A
AMI-7a*	Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0164
AMI-8a	Primary PCI Received Within 90 Minutes of Hospital Arrival	0163
AMI-10	Statin Prescribed at Discharge	N/A
CAC-3	Home Management Plan of Care Document Given to Patient/Caregiver	N/A
EHDI-1a	Hearing Screening Prior to Hospital Discharge	1354
ED-1*	Median Time from ED Arrival to ED Departure for Admitted ED Patients	0495
ED-2*	Admit Decision Time to ED Departure Time for Admitted Patients	0497
HTN	Healthy Term Newborn	0716
PC-01*	Elective Delivery (Collected in aggregate, submitted via Web-based tool or electronic clinical quality measure).	0469
PC-05	Exclusive Breast Milk Feeding and the Subset Measure PC-05a Exclusive Breast Milk Feeding Considering Mother's Choice.	0480
PN-6	Initial Antibiotic Selection for Community-Acquired Pneumonia (CAP) in Immunocompetent Patients.	0147
SCIP-Inf-1a	Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision	0527
SCIP-Inf-2a	Prophylactic Antibiotic Selection for Surgical Patients	0528
SCIP-Inf-9	Urinary Catheter Removed on Postoperative Day 1 (POD 1) or Postoperative Day 2 (POD 2) with Day of Surgery Being Day Zero.	N/A
STK-02	Discharged on Antithrombotic Therapy	0435
STK-03	Anticoagulation Therapy for Atrial Fibrillation/Flutter	0436
STK-04*	Thrombolytic Therapy	0437
STK-05	Antithrombotic Therapy by the End of Hospital Day Two	0438
STK-06*	Discharged on Statin Medication	0439
STK-08*	Stroke Education	N/A
STK-10	Assessed for Rehabilitation	0441
VTE-1*	Venous Thromboembolism Prophylaxis	0371
VTE-2*	Intensive Care Unit Venous Thromboembolism Prophylaxis	0372

PREVIOUSLY ADOPTED HOSPITAL IQR PROGRAM MEASURES FOR THE FY 2017 PAYMENT DETERMINATION AND SUBSEQUENT YEARS—Continued

Short name	Measure name	NQF #
VTE-3	Venous Thromboembolism Patients with Anticoagulation Overlap Therapy	0373
VTE-4	Venous Thromboembolism Patients Receiving Unfractionated Heparin with Dosages/Platelet Count Monitoring by Protocol or Nomogram.	N/A
VTE-5*	Venous Thromboembolism Discharge Instructions	N/A
VTE-6*	Incidence of Potentially Preventable Venous Thromboembolism	N/A
Patient Survey		
HCAHPS	HCAHPS + 3-Item Care Transition Measure (CTM-3)	0166 0228
Structural		
Registry for Nursing Sensitive Care.	Participation in a Systematic Clinical Database Registry for Nursing Sensitive Care	N/A
Registry for General Surgery	Participation in a Systematic Clinical Database Registry for General Surgery	N/A
Safe Surgery Checklist	Safe Surgery Checklist Use	N/A

* Measure is listed twice, as both chart-abstracted and electronic clinical quality measure.

Appendix 5: FY18 Hospital IQR Program Measures

HOSPITAL IQR PROGRAM MEASURES FOR THE FY 2018 PAYMENT DETERMINATION AND SUBSEQUENT YEARS

Short name	Measure name	NQF No.
NHSN		
CLABSI	National Healthcare Safety Network (NHSN) Central Line-Associated Bloodstream Infection (CLABSI) Outcome Measure.	0139
Colon and Abdominal Hysterectomy SSI.	American College of Surgeons—Centers for Disease Control and Prevention (ACS–CDC) Harmonized Procedure Specific Surgical Site Infection (SSI) Outcome Measure. <ul style="list-style-type: none"> • Colon Procedures. • Hysterectomy Procedures. 	0753
CAUTI	National Healthcare Safety Network (NHSN) Catheter-associated Urinary Tract Infection (CAUTI) Outcome Measure.	0138
MRSA Bacteremia	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset Methicillin-resistant <i>Staphylococcus aureus</i> (MRSA) Bacteremia Outcome Measure.	1716
CDI	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset <i>Clostridium difficile</i> Infection (CDI) Outcome Measure.	1717
HCP	Influenza Vaccination Coverage Among Healthcare Personnel	0431
Chart-abstracted		
ED-1*	Median Time from ED Arrival to ED Departure for Admitted ED Patients	0495
ED-2*	Admit Decision Time to ED Departure Time for Admitted Patients	0497
Imm-2	Influenza Immunization	1659
PC-01*	Elective Delivery (Collected in aggregate, submitted via Web-based tool or electronic clinical quality measure).	0469
Sepsis	Severe Sepsis and Septic Shock: Management Bundle (Composite Measure)	0500
STK-04*	Thrombolytic Therapy	0437
VTE-5*	Venous Thromboembolism Discharge Instructions	N/A
VTE-6*	Incidence of Potentially Preventable Venous Thromboembolism	N/A
Claims		
MORT-30-AMI	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Acute Myocardial Infarction (AMI) Hospitalization.	0230
MORT-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Heart Failure (HF) Hospitalization.	0229
MORT-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization.	0468

Appendix 5: FY18 Hospital IQR Program Measures - Cont.

Short name	Measure name	NQF No.
MORT-30-COPD	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Chronic Obstructive Pulmonary Disease (COPD) Hospitalization.	1893
STK Mortality	Stroke 30-day Mortality Rate	N/A
CABG Mortality	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Coronary Artery Bypass Graft (CABG) Surgery.	2558
READM-30-AMI	Hospital 30-Day All-Cause Risk-Standardized Readmission Rate (RSRR) Following Acute Myocardial Infarction (AMI) Hospitalization.	0505
READM-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Heart Failure (HF) Hospitalization.	0330
READM-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Pneumonia Hospitalization.	0506
READM-30-THA/TKA	Hospital-Level 30-Day, All-Cause Risk-Standardized Readmission Rate (RSRR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA).	1551
READM-30-HWR	Hospital-Wide All-Cause Unplanned Readmission Measure (HWR)	1789
COPD READMIT	Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) Following Chronic Obstructive Pulmonary Disease (COPD) Hospitalization.	1891
STK READMIT	30-Day Risk Standardized Readmission Rate Following Stroke Hospitalization	N/A
CABG READMIT	Hospital 30-Day, All-Cause, Unplanned, Risk-Standardized Readmission Rate (RSRR) Following Coronary Artery Bypass Graft (CABG) Surgery.	2515
MSPB	Payment-Standardized Medicare Spending Per Beneficiary (MSPB)	2158
AMI Payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-Day Episode-of-Care for Acute Myocardial Infarction (AMI).	2431
HF Payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-Day Episode-of-Care For Heart Failure (HF).	2436
PN Payment	Hospital-Level, Risk-Standardized Payment Associated with a 30-day Episode-of-Care For Pneumonia.	2579
Hip/knee complications	Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA).	1550
PSI 4 (PSI/NSI)	Death among Surgical Inpatients with Serious, Treatable Complications	0351
PSI 90	Patient Safety for Selected Indicators (Composite Measure)	0531
THA/TKA Payment **	Hospital-Level, Risk-Standardized Payment Associated with an Episode-of-Care for Primary Elective Total Hip Arthroplasty and/or Total Knee Arthroplasty.	N/A
AMI Excess Days **	Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction	N/A
HF Excess Days **	Excess Days in Acute Care after Hospitalization for Heart Failure	N/A

Appendix 5: FY18 Hospital IQR Program Measures - Cont.

Electronic Clinical Quality Measure (select at least 4)		
AMI-2	Aspirin Prescribed at Discharge for AMI	N/A
AMI-7a	Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival	0164
AMI-8a	Primary PCI Received Within 90 Minutes of Hospital Arrival	0163
AMI-10	Statin Prescribed at Discharge	N/A
CAC-3	Home Management Plan of Care Document Given to Patient/Caregiver	N/A
ED-1*	Median Time from ED Arrival to ED Departure for Admitted ED Patients	0495
ED-2*	Admit Decision Time to ED Departure Time for Admitted Patients	0497
EHD1-1a	Hearing Screening Prior to Hospital Discharge	1354
HTN	Healthy Term Newborn	0716
PC-01*	Elective Delivery (Collected in aggregate, submitted via Web-based tool or electronic clinical quality measure).	0469
PC-05	Exclusive Breast Milk Feeding and the Subset Measure PC-05a Exclusive Breast Milk Feeding Considering Mother's Choice.	0480
PN-6	Initial Antibiotic Selection for Community-Acquired Pneumonia (CAP) in Immunocompetent Patients.	0147
SCIP-Inf-1a	Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision	0527
SCIP-Inf-2a	Prophylactic Antibiotic Selection for Surgical Patients	0528
SCIP-Inf-9	Urinary catheter Removed on Postoperative Day 1 (POD 1) or Postoperative Day 2 (POD 2) with Day of Surgery Being Day Zero.	N/A
STK-02	Discharged on Antithrombotic Therapy	0435
STK-03	Anticoagulation Therapy for Atrial Fibrillation/Flutter	0436
STK-04*	Thrombolytic Therapy	0437
STK-05	Antithrombotic Therapy by the End of Hospital Day Two	0438
STK-06	Discharged on Statin Medication	0439
STK-08	Stroke Education	N/A
STK-10	Assessed for Rehabilitation	0441
VTE-1	Venous Thromboembolism Prophylaxis	0371
VTE-2	Intensive Care Unit Venous Thromboembolism Prophylaxis	0372
VTE-3	Venous Thromboembolism Patients with Anticoagulation Overlap Therapy	0373
VTE-4	Venous Thromboembolism Patients Receiving Unfractionated Heparin with Dosages/Platelet Count Monitoring by Protocol or Nomogram.	N/A
VTE-5*	Venous Thromboembolism Discharge Instructions	N/A
VTE-6*	Incidence of Potentially Preventable Venous Thromboembolism	N/A



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Appendix 5: FY18 Hospital IQR Program Measures - Cont.

HOSPITAL IQR PROGRAM MEASURES FOR THE FY 2018 PAYMENT DETERMINATION AND SUBSEQUENT YEARS—Continued

Short name	Measure name	NQF No.
Patient Survey		
HCAHPS	HCAHPS + 3-Item Care Transition Measure (CTM-3)	0166 0228
Structural		
Patient Safety Culture**	Hospital Survey on Patient Safety Culture	N/A
Registry for Nursing Sensitive Care	Participation in a Systematic Clinical Database Registry for Nursing Sensitive Care	N/A
Registry for General Surgery	Participation in a Systematic Clinical Database Registry for Registry for General Surgery	N/A
Safe Surgery Checklist	Safe Surgery Checklist Use	N/A

* Measure is listed twice, as both chart-abstracted and electronic clinical quality measure.

** Measures we are adopting beginning with FY 2018 and for subsequent years.



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Appendix 6: FY19 Hospital IQR Program Measures

HOSPITAL IQR PROGRAM ADDITIONAL MEASURES FOR THE FY 2019 PAYMENT DETERMINATION AND SUBSEQUENT YEARS

Short name	Measure name	NQF No.
Claims		
Kidney/UTI Payment	Kidney/Urinary Tract Infection Clinical Episode-Based Payment measure	N/A
Cellulitis Payment	Cellulitis Clinical Episode-Based Payment measure	N/A
GI Payment	Gastrointestinal Hemorrhage Clinical Episode-Based Payment measure	N/A

In the final rule, CMS combined the measures for FY18 and FY19 in one table.

Appendix 7: FY18, FY19, FY20, FY21 VBP Performance Standards

FY18

PREVIOUSLY ADOPTED AND NEWLY FINALIZED PERFORMANCE STANDARDS FOR THE FY 2018 PROGRAM YEAR: SAFETY, CLINICAL CARE, AND EFFICIENCY AND COST REDUCTION MEASURES

Measure ID	Description	Achievement threshold	Benchmark
Safety Measures			
CAUTI *	National Healthcare Safety Network Catheter-associated Urinary Tract Infection Outcome Measure.	0.906	0.000
CLABSI *	National Healthcare Safety Network Central Line-associated Bloodstream Infection Outcome Measure.	0.369	0.000
CDI *	National Healthcare Safety Network Facility-wide Inpatient Hospital-onset <i>Clostridium difficile</i> Infection Outcome Measure.	0.794	0.002
MRSA bacteremia *	National Healthcare Safety Network Facility-wide Inpatient Hospital-onset Methicillin-resistant <i>Staphylococcus aureus</i> Bacteremia Outcome Measure.	0.767	0.000
PSI-90 ± *	Patient safety for selected indicators (composite).	0.577321	0.397051
Colon and Abdominal Hysterectomy SSI *	American College of Surgeons—Centers for Disease Control and Prevention Harmonized Procedure Specific Surgical Site Infection Outcome Measure.		
	• Colon	• 0.824	• 0.000
	• Abdominal Hysterectomy	• 0.710	• 0.000
PC-01	Elective Delivery	0.020408	0.000
Clinical Care Measures			
MORT-30-AMI ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Acute Myocardial Infarction Hospitalization *	0.851458 *	0.871669 *
MORT-30-HF ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure *	0.881794 *	0.903985 *
MORT-30-PN ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization *	0.882986 *	0.908124 *
Efficiency and Cost Reduction Measure			
MSPB-1 *	Payment-Standardized Medicare Spending per Beneficiary.	Median Medicare Spending per Beneficiary ratio across all hospitals during the performance period.	Mean of the lowest decile Medicare Spending per Beneficiary ratios across all hospitals during the performance period.

* Lower values represent better performance.

± Previously adopted performance standards.

Appendix 7: FY18, FY19, FY20, FY21 VBP Performance Standards - Cont.

FY19

PREVIOUSLY ADOPTED PERFORMANCE STANDARDS FOR CERTAIN SAFETY AND CLINICAL CARE DOMAIN MEASURES FOR
THE FY 2019 PROGRAM YEAR

Measure ID	Description	Achievement threshold	Benchmark
Safety Measures			
PSI-90 *	Patient Safety for Selected Indicators (Composite)	0.853715	0.589462
Clinical Care Measures			
MORT-30-AMI	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Acute Myocardial Infarction Hospitalization.	0.850671	0.873263
MORT-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization.	0.883472	0.908094
MORT-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization.	0.882334	0.909460
THA/TKA *	Hospital-Level Risk-Standardized Complication Rate Following Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty.	0.032229	0.023178

* Lower values represent better performance.

FY 20

PREVIOUSLY ADOPTED AND PROPOSED PERFORMANCE STANDARDS FOR CERTAIN CLINICAL CARE DOMAIN AND SAFETY
DOMAIN MEASURES FOR THE FY 2020 PROGRAM YEAR

Measure ID	Description	Achievement threshold	Benchmark
Safety Domain			
PSI-90 *	Patient Safety for Selected Indicators (Composite)	0.778761	0.545903
Clinical Care Domain			
MORT-30-AMI ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Acute Myocardial Infarction Hospitalization.	0.853715	0.875869
MORT-30-HF ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization.	0.881090	0.906068
MORT-30-PN ±	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization.	0.882266	0.909532
THA/TKA *±	Hospital-Level Risk-Standardized Complication Rate Following Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty.	0.032229	0.023178

* Lower values represent better performance.

± Previously adopted performance standards.

Appendix 7: FY18, FY19, FY20, FY21 VBP Performance Standards - Cont.

FY21

PROPOSED PERFORMANCE STANDARDS FOR CLINICAL CARE DOMAIN MEASURES FOR THE FY 2021 PROGRAM YEAR

Measure ID	Description	Achievement threshold	Benchmark
Clinical Care Measures			
MORT-30-AMI	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Acute Myocardial Hospitalization.	0.860355	0.879714
MORT-30-HF	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Heart Failure Hospitalization.	0.883803	0.906144
MORT-30-PN	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization.	0.886443	0.91067
MORT-30-COPD	Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Chronic Obstructive Pulmonary Disease Hospitalization.	0.860355	0.879714
THA/TKA*	Hospital-Level Risk-Standardized Complication Rate Following Elective Primary Total Hip Arthroplasty/Total Knee Arthroplasty.	0.03089	0.022304

*Lower values represent better performance.

Appendix 8: FY19, FY20, FY21 VBP Baseline and Performance Periods

FY19 Baseline and Performance Periods

PREVIOUSLY ADOPTED BASELINE AND PERFORMANCE PERIODS FOR THE FY 2019 PROGRAM YEAR

Domain	Baseline period	Performance period
Clinical Care:		
• Mortality (MORT-30-AMI, MORT-30-HF, MORT-30-PN).	• July 1, 2009–June 30, 2012	• July 1, 2014–June 30, 2017.
• THA/TKA	• July 1, 2010–June 30, 2013	• January 1, 2015–June 30, 2017.*
Safety:		
• PSI-90	• July 1, 2011–June 30, 2013	• July 1, 2015–June 30, 2017.

*The table in FY 2016 IPS/LTCH PPS proposed rule (80 FR 24505) inadvertently stated that this performance period is July 1, 2015–June 30, 2017. However, as adopted in the FY 2015 IPPS/LTCH PPS final rule (79 FR 50073), this performance period is January 1, 2015–June 30, 2017.

FY20 Baseline and Performance Periods

PREVIOUSLY ADOPTED AND NEWLY PROPOSED BASELINE AND PERFORMANCE PERIODS FOR THE FY 2020 PROGRAM YEAR

Domain	Baseline period	Performance period
Clinical Care:		
• Mortality (MORT-30-AMI, MORT-30-HF, MORT-30-PN) *.	July 1, 2010–June 30, 2013	July 1, 2015–June 30, 2018.
• THA/TKA *.		
Safety:		
PSI (PSI-90) Measure	July 1, 2012–June 30, 2014	July 1, 2016–June 30, 2018.

* Previously adopted baseline and performance periods

Appendix 8: FY19, FY20, FY21 VBP Baseline and Performance Periods – Cont.

FY21 Baseline and Performance Periods

PROPOSED BASELINE AND PERFORMANCE PERIODS FOR THE FY 2021 PROGRAM YEAR

Domain	Baseline period	Performance period
Clinical Care:		
• Mortality (MORT-30-AMI, MORT-30-HF, MORT-30-PN, MORT-30-COPD).	• July 1, 2011–June 30, 2014	• July 1, 2016–June 30, 2019.
THA/TKA	• April 1, 2011–March 31, 2014	• April 1, 2016–March 31, 2019.



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FY16 IPPS Resources

- FY16 IPPS Final Rule, Aug. 17, 2015, [*Federal Register*](#)
- *FY16 IPPS Final Rule* [*Correction Notice*](#)
- HFMA's [*Medicare Regulatory Page*](#)